Manitoba
Oil Activity Review
2008

Manitoba

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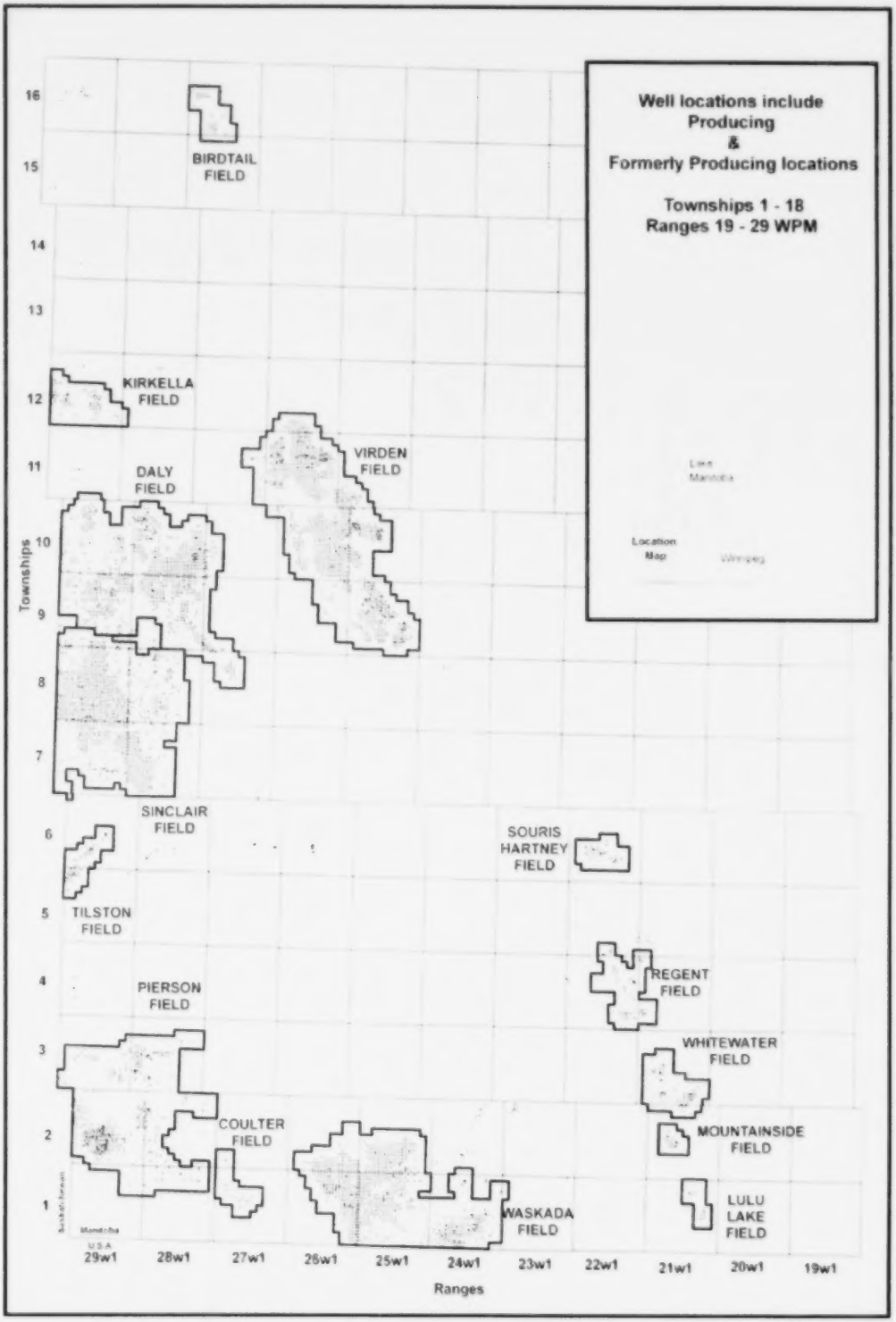
Well locations include
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25w1
24w1
23w1
22w1
21w1
20w1
19w1
Ranges

2008 Highlights

- 2008 was the 5th best drilling year on record having 316 wells were drilled. A 2.5% decrease from the 324 drilling in 2007.
- Manitoba established a new production record of 1,370,585 m^3 (8.625 million barrels) during 2008.
- The value of oil production in 2008 was approximately $838 million, a 39% increase over $603 million in 2007.
- Provincial revenues from the oil industry (royalties, production taxes, lease sale bonuses, rentals and fees) were $29 million during 2008, a 66% increase from 2007.
- Gross royalties payable to freehold mineral owners were estimated to be $83 million in 2008 (Federal and Provincial tax liabilities included).
- Surface rights owners received approximately $9.8 million from rental payments and bonuses during 2008.
- Municipal tax assessments on wells and oilfield equipment were estimated to be $107.6 million (with taxes paid amounting to approximately $3.41 million).
- Oil industry expenditures in Manitoba were estimated to be $509 million in 2008, a 60% increase from 2007.
- Thirteen geophysical programs were run in 2008. Total coverage is 200 km at a cost of approximately $6.4 million.
- Four sales of Crown oil leases and exploration reservations covering 13,694 hectares generated $5.04 million in revenue to the province in 2008, an increase of 226% from 2007.
- As of January 1, 2008 there were 14 oil fields and 135 non-confidential oil pools designated in the province.
- Crude oil prices fluctuated throughout the year between $139.00 – 903 m^3 ($22.09 - $143.50 Cdn per barrel). In 2008, Manitoba's average crude oil selling price was $612.10 m^3 ($97.27 Cdn per barrel), compared with 2006's average of $420.21 m^3 ($66.78 Cdn per barrel).

Crown Oil and Gas Dispositions

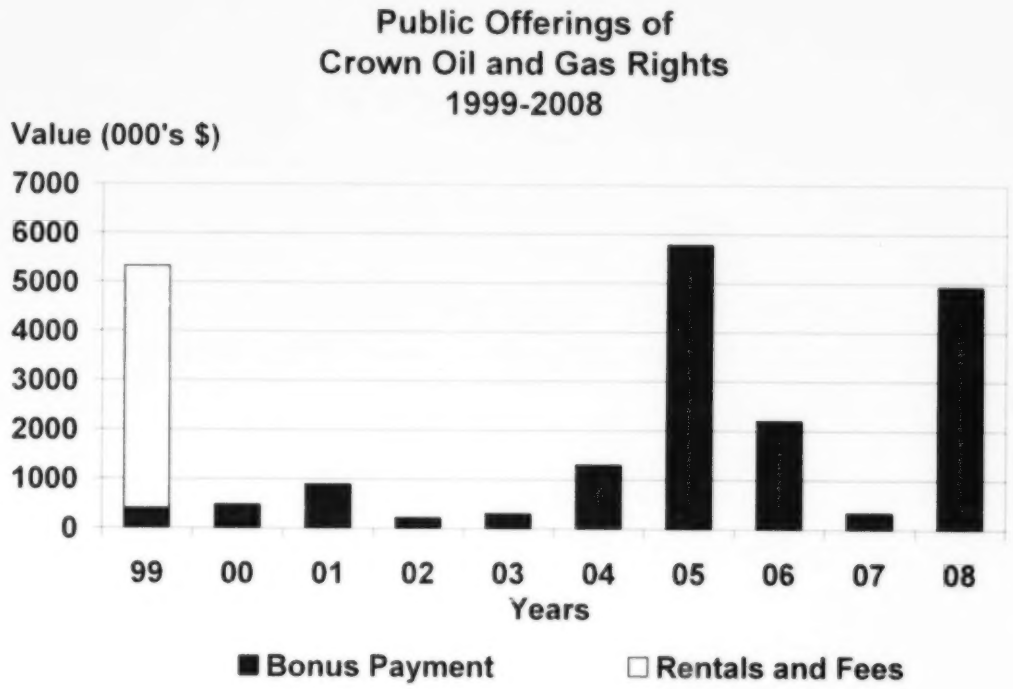
Public offerings of Crown oil and gas rights are held under sealed tender in Manitoba throughout the year. Four Crown oil and gas sales were held in 2008.

SALE DATE	AVERAGE BONUS $/ha
February 13, 2008	66.73
May 14, 2008	973.81
August 13, 2008	648.91
November 12, 2008	158.81

As of December 31, 2008, the total area of Crown oil and gas rights under disposition was 127 237 hectares; 127 237 hectares under lease and no hectares under exploration reservation. In 2008, the total area under disposition increased by 6% compared with 2007.

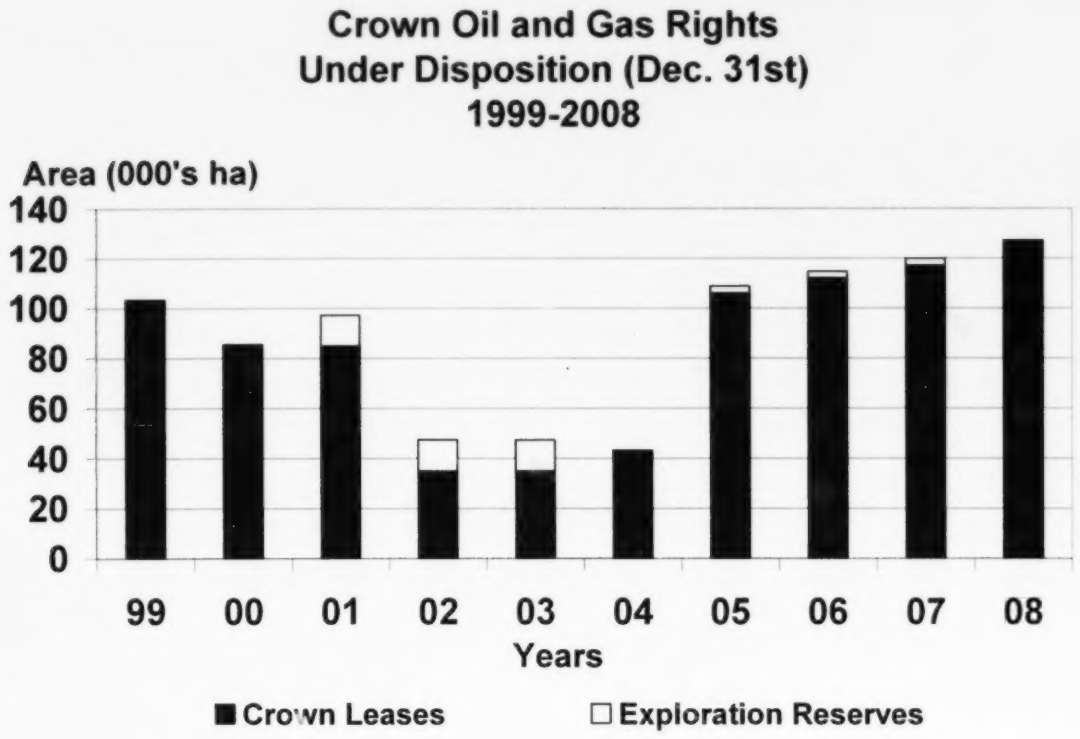
Exploration reservations provide the holder with the exclusive right to drill for a 3-year term within the reservation area. Crown oil and gas leases provide the holder with the exclusive right to drill and produce oil and gas for a 5-year term within the lease area. Leases may be renewed for additional 5-year terms, or extended by application for one-year terms with additional rental penalties and drilling commitments. Non-productive leases are surrendered and available for lease by other interested parties.

On December 31, 1982, deeper rights reversion provisions came into effect. Under these provisions, non-productive areas and rights below the producing formation revert to the Crown at the end of the first renewal of the lease term. These rights again become available for lease by other interested parties.



Freehold Mineral Owner's Leasing and Revenue

Approximately 80% of the oil and gas rights in southwestern Manitoba are privately owned (freehold). Companies may negotiate leases with freehold mineral owners in areas of current interest where leases have expired or where oil and gas rights are not presently leased. Freehold mineral owners receive revenue from signing bonuses, delay rental payments and royalties when production is obtained. Freehold royalties may range from 12 1/2 to 20% of gross production sales value. It is estimated that gross royalties payable to freehold owners in 2008 were approximately $83 million (before payment of provincial and federal taxes).



Manitoba Crown Lease and Exploration Reservation Sale Statistics 1947-2008

	Lease Sales						Reservation Sales						
Year	No. of Leases Sold	Area (ha)	Bonus ($)	Avg. Price ($/ha)	Highest Price ($/ha)	Lease Revenue ($)	No. of Res. Sold	Area (ha)	Bonus ($)	Avg. Price ($/ha)	Highest Price ($/ha)	Res. Revenue (4)	Total Revenue From Sales ($)
1947-53			DATA NOT AVAILABLE										
1954	31	4 184	82,814	19.79	37.37	88,291	0	0	0	0.00	0.00	0	88,291
1955	140	32 247	579,801	17.98	62.58	620,751	1	8 778	5,854	0.67	0.67	6,213	626,964
1956	28	4 534	43,902	9.68	79.09	49,682	4	255 016	105,587	0.41	1.33	106,587	156,269
1957	16	4 568	100,373	21.97	44.71	106,174	2	48 820	3,256	0.07	0.08	3,756	109,930
1958	0	0	0	0.00	0.00	0	1	10 291	101	0.01	0.01	351	351
1959	1	777	505	0.65	0.65	1,475	2	11 478	11,879	1.03	2.42	12,379	13,854
1960	1	65	4,103	63.12	63.12	4,193	0	0	0	0.00	0.00	0	4,193
1961	0	0	0	0.00	0.00	0	4	50 721	134,099	2.64	6.75	135,099	135,099
1962	2	260	1,327	5.11	12.62	1,668	1	7 464	24,706	3.31	3.31	24,956	26,624
1963	63	5 055	31,614	6.25	17.30	38,468	1	3 498	1,608	0.46	0.46	1,858	40,326
1964	40	9 467	109,125	28.47	388.06	120,717	1	5 641	778	0.14	0.14	1,028	121,745
1965	42	4 347	40,235	9.26	77.60	46,024	15	92 717	52,672	0.57	12.11	56,422	102,446
1966	31	4 417	24,086	5.45	64.22	29,850	6	38 689	62,886	1.63	2.08	64,636	94,486
1967	10	2 274	23,537	10.35	22.25	26,446	5	49 846	55,013	1.10	3.80	56,263	82,709
1968	19	3 599	22,630	6.29	18.92	27,265	6	46 040	31,426	0.68	4.45	32,926	60,191
1969	2	970	7,164	7.39	11.94	8,382	3	16 453	75,282	4.58	7.54	76,032	84,414
1970	8	3 580	10,094	2.82	8.08	14,596	0	0	0	0.00	0.00	0	14,596
1971	2	1 230	33,673	27.38	49.75	34,308	0	0	0	0.00	0.00	0	34,308
1972-78			NO SALES										
1979	86	11 064	897,885	81.15	315.17	929,855	3	4 736	40,888	8.63	12.23	47,558	977,413
1980	80	12 540	1,057,530	84.33	470.51	1,092,880	8	15 572	820,345	52.68	100.31	841,810	1,934,690
1981	85	12 312	1,074,958	87.31	257.26	1,109,988	5	5 376	611,199	113.69	178.43	619,169	1,729,157
1982	56	6 448	1,055,668	163.72	938.88	1,074,588	0	0	0	0.00	0.00	0	1,074,588
1983	66	9 255	1,032,267	111.54	762.34	1,058,705	1	1 024	40,192	39.25	39.25	41,722	1,100,427
1984	104	8 776	2,181,499	248.58	1,411.17	2,208,639	0	0	0	0.00	0.00	0	2,208,639
1985	173	15 471	4,215,083	272.45	1,593.78	4,262,410	0	0	0	0.00	0.00	0	4,262,410

Manitoba Crown Lease and Exploration Reservation Sale Statistics
1947-2008 (cont'd)

	Lease Sales						Reservation Sales						
Year	No. of Leases Sold	Area (ha)	Bonus ($)	Avg. Price ($/ha)	Highest Price ($/ha)	Lease Revenue ($)	No. of Res. Sold	Area (ha)	Bonus ($)	Avg. Price ($/ha)	Highest Price ($/ha)	Res. Revenue (4)	Total Revenue From Sales ($)
1986	103	7 904	891,358	112.77	602.00	916,268	1	768	20,285	26.41	26.41	21,495	937,763
1987	57	5 813	577,253	99.30	230.23	594,635	0	0	0	0.00	0.00	0	594,635
1988	29	3 429	348,439	101.62	313.07	358,462	1	2 112	84,231	39.88	39.88	87,121	445,583
1989	31	2 832	231,918	81.89	400.17	240,548	0	0	0	0.00	0.00	0	240,548
1990	20	1 488	111,930	75.22	250.00	116,650	3	4 128	49,731	12.05	21.33	55,641	172,291
1991	24	1 920	124,275	64.73	184.59	130,275	0	0	0	0.00	0.00	0	130,275
1992	43	3 105	103,135	33.22	118.61	113,047	2	1 855	17,642	9.51	12.87	20,460	133,507
1993	108	14 698	762,578	51.88	352.28	804,723	5	7 320	121,222	16.56	25.41	131,622	936,345
1994	144	18 404	1,145,663	62.25	312.50	1,267,677	3	2 496	49,393	19.79	42.97	53,263	1,320,940
1995	167	23 053	2,517,164	109.19	316.75	2,664,649	0	0	0	0.00	0.00	0	2,664,649
1996	111	12 131	1,692,342	135.51	1305.71	1,779,202	0	0	0	0.00	0.00	0	1,779,202
1997	434	49 969	5,694,789	113.97	874.10	6,043,274	0	0	0	0.00	0.00	0	6,043,274
1998	54	4 220	308,085	73.01	571.50	344,454	0	0	0	0.00	0.00	0	344,454
1999	23	4 058	395,470	97.46	333.44	418,871	0	0	0	0.00	0.00	0	418,871
2000	58	5 173	472,747	91.39	326.23	514,051	0	0	0	0.00	0.00	0	514,051
2001	97	9 344	703,628	75.30	291.50	775,132	5	12 287	181,426	14.77	22.00	226,431	1,001,563
2002	34	2 720	211,957	77.93	211.77	235,077	0	0	0	0.00	0.00	0	235,077
2003	48	4 416	294,448	66.68	617.38	329,104	0	0	0	0.00	0.00	0	329,104
2004	104	15 349	1,287,971	83.91	300.01	1,383,294	0	0	0	0.00	0.00	0	1,383,294
2005	293	65 582	5,674,596	86.53	2368.77	6,021,333	2	2 656	98,268	37.00	37.00	108,364	6,129,697
2006	119	12 777	2 190 122	171.41	1265.81	2,282,443	0	0	0	0	0	0	2,282,443
2007	62	9 530	325 853	34.19	1156.64	384,007	0	0	0	0	0	0	384,007
2008	154	13,694	4 929 465	1,848.25	7,431.74	5 038 994	0	0	0	0	0	0	5 038 994
Total	3,403	449,049	43,625,059	$104.97	N/A	45,711,525	91	705 782	2,699,969	3.83	N/A	2,833,162	48,544,687

Geophysical Activity

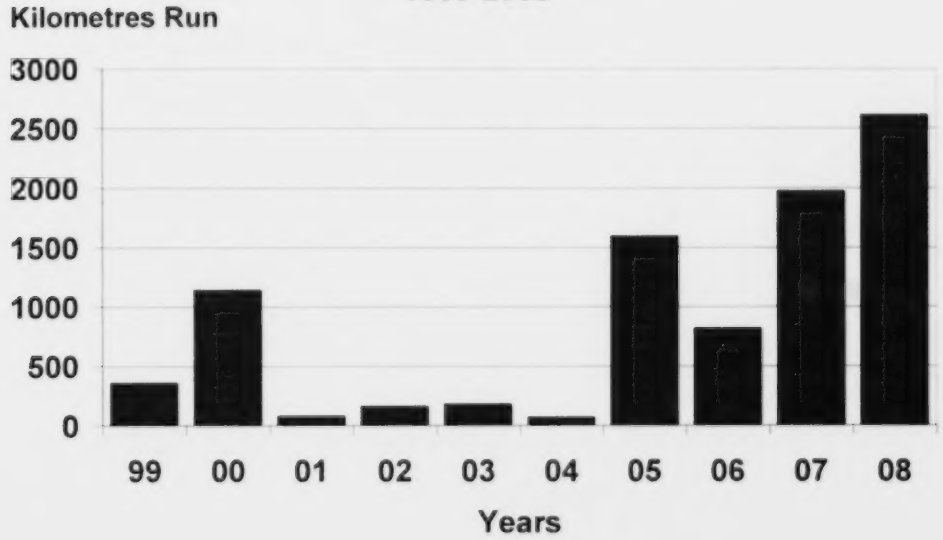
Thirteen geophysical programs were run in 2008 covering 2,606 km. There were five 2D/Dyn, one 2D/Vib, six 3D/Dyn and one 2D-3D/Dyn (combination) programs. The estimated cost of the programs was $6,292,481.

MANITOBA GEOPHYSICAL ACTIVITY

SUMMARY 1976-2008

Year	Licenses Issued	Kilometers Run (km)	Total Program Costs $	Year	Licenses Issued	Kilometers Run (km)	Total Program Costs $
1976	3	112	118,302	1992	8	299	370,198
1977	2	830	1,046,220	1993	9	202	225,776
1978	5	1 828	3,451,370	1994	14	222	890,307
1979	10	2 001	2,970,734	1995	16	633	1,634,771
1980	10	851	1,843,438	1996	30	1 457	5,480,000
1981	11	1 148	2,116,854	1997	32	3 239	6,098,000
1982	19	879	1,805,512	1998	13	212	619,072
1983	14	3 410	3,639,692	1999	13	212	619,072
1984	23	2 731	5,547,086	2000	2	354	269,724
1985	25	1 647	3,081,241	2001	4	73	277,100
1986	8	338	1,227,227	2002	4	73	277,100
1987	13	683	2,713,000	2003	5	176	575,057
1988	13	2 148	2,129,550	2004	2	65	171,298
1989	2	39	114,627	2005	20	1 587	2 936,111
1991	2	15	62,032	2006	3	815	2 805 005
				2007	11	1 967	4 937 407
				2008	14	2 606	6 292 481

Geophysical Activity
1999-2008



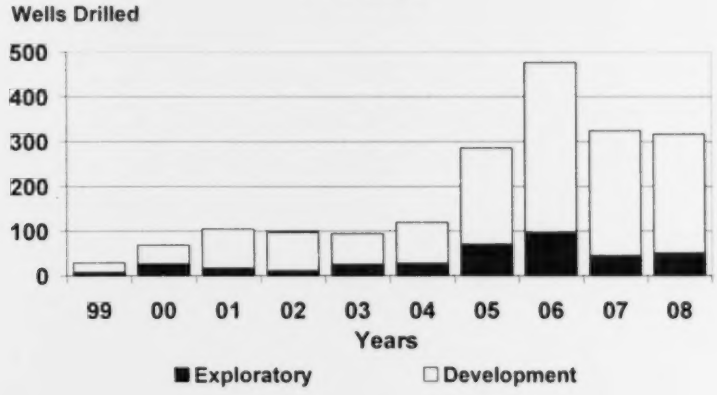
SUMMARY OF 2008 GEOPHYSICAL PROGRAMS RUN

Licence No.	Licensee	Contractor	Area	Type	Km Run
487*	Lochaird Energy Corp.	Kozun Exploration Ltd.	Tilston	3D/Dyn	86.0
488	Tundra Oil & Gas Partnership	Tesla Exploration Ltd.	Regent	3D/Dyn	924.0
489	New Midland Petroleum Ltd.	Kozun Exploration Ltd.	Waskada	3D/Dyn	94.0
490	Tundra Oil & Gas Partnership	Tesla Exploration Ltd.	Tilston	2D/Dyn	19.3
491	Tundra Oil & Gas Partnership	Tesla Exploration Ltd.	Whitewater	3D/Dyn	175.9
492	Tundra Oil & Gas Partnership	Tesla Exploration Ltd.	Whitewater/Regent	2D/3D Dyn	174.8
493	Connaught Energy Ltd.	Conquest Seismic Services	Oak Lake	2D/Dyn	7.2
494	3343219 Manitoba Ltd.	Integrated Geophysical Consultants	Sinclair	3D/Dyn	716.5
495	Western Potash Corp.	Boyd PetroSearch	St. Lazare	2D/Vib	172.1
496	Tundra Oil & Gas Partnership	Tesla Exploration Ltd.	Manson	2D/Dyn	4.9
497	Tundra Oil & Gas Partnership	Tesla Exploration Ltd.	Deloraine/ Waskada	2D/Dyn	19.7
498	Agrium Inc.	Boyd PetroSearch	St. Lazare	---	---
499	Canadian Natural Resources Limited	Thompson & Associates Exploration Services Inc.	Pierson	3D/Dyn	176.6
500	Canadian Natural Resources Limited	Thompson & Associates Exploration Services Inc.	Pierson	2D/Dyn	34.8
501 **	Lochaird Energy Corp.	Kozun Exploration Ltd.	Waskada	---	---
					2 605.8

Drilling Activity

In 2008, 332 drilling licenses were issued, resulting in 23 different companies drilling 316 wells, a decrease of 2.5% from 2007. Sixteen drilling contractors drilled 457,575 metres of hole for an average well depth of 1 448 metres.

Wells Drilled in Manitoba
1999-2008



Drilling Statistics by Operator and Contractor

Wells Drilled by Operator	2008	2007
Tundra Oil and Gas Ltd.	172	229
Canadian Natural Resources Ltd.	30	7
Fairborne Energy Ltd.	18	2
Enerplus ECT Resources Ltd.	14	16
EOG Resources Canada Inc.	12	8
Lodgepole Energy Corp	11	1
Western Potash Corp.	9	--
White North Energy Corp.	8	--
TriStar NMP Ltd.	7	8
1346329 AB	5	2
Black Gold Resources Ltd.	5	--
Kiwi Resources Ltd.	5	7
Leader resources Ltd.	3	1
ARC Resources Ltd.	3	--
Relative Resources Ltd.	2	3
Fox Oil Ltd.	2	1
Antler River Resources Ltd.	2	4
Border Energy Ltd.	2	1
Cosens Drilling Limited	2	--
Reliable Energy Ltd.	1	--
Magellan Resources Ltd.	1	--
5369500 Manitoba Ltd.	1	--
Lochaird Energy Corp.	1	--
Rideau Petroleums Ltd.	--	23
Connaught Energy Ltd.	--	4
T. Bird Oil Ltd.	--	2
Gale Force Petroleum Inc.	--	2
Second Wave Petroleum Ltd.	--	2
Malahat Resources Ltd.	--	1
TOTAL	**316**	**324**

Wells Drilled by Contractor	2008	2007
Trinidad Drilling Ltd.	112	150
Big Sky Drilling Ltd.	91	94
Tempco Drilling Company	24	--
Trailblazer Drilling Corp.	24	3
Precision Drilling (1987)Company	14	33
Ensign Canadian Drilling	11	--
Champion Drilling Ltd.	9	--
Eagle Drilling Services Ltd.	7	7
Terroco Drilling Ltd.	7	2
Red Dog Drilling Inc.	6	--
Ensign Drilling Inc.	5	--
Advance Drilling Ltd.	2	5
Ensign/ Big Sky Drilling	1	--
Lasso Drilling Corp.	1	--
Partner Drilling Ltd.	1	--
Totem Drilling Ltd.	1	--
Blackwatch Energy Services	--	22
Venture Drilling Ltd.	--	8
TOTAL	**316**	**324**

Drilling Activity by Area

Field	TWP	RGE WPM	Wells Drld.	Development Drld.	Development POW	Exploratory Drld.	Exploratory *POW	Total POW	Dry/ Abd	Other
Daly	8-10	27-29	26	20	20	6	6	26	0	0
Waskada	1-2	24-26	25	24	24	1	1	25	0	0
Virden	9-12	25-26	17	15	15	2	0	15	2	0
Whitewater	1	21	1	1	1	0	0	1	0	0
Pierson	2-3	28-29	38	36	36	2	2	38	0	0
Regent	4-5	21-22	9	9	8	0	0	8	0	1
Souris Hartney	6	22	1	1	1	0	0	1	0	0
Sinclair	7-8	28-29	165	155	148	10	9	157	1	7
Other areas			34	**5**	**4**	**29**	**6**	**10**	*24	0
Total			**316**	**266**	**257**	**50**	**24**	**281**	**27**	**8**
% of Total Drilled				**84**		**16**				
* POW – Potential Oil Wells										

Drilling Success 1981-2008

Year	Development Wells Drilled	Development Wells % Successful	Exploratory Wells Drilled	Exploratory Wells % Successful	All Wells Drilled	All Wells % Successful
1981	29	100	33	55	62	76
1982	117	95	78	67	195	84
1983	187	95	60	77	247	91
1984	210	95	36	44	246	88
1985	209	92	52	69	261	87
1986	90	95	43	91	133	93
1987	74	93	33	61	107	83
1988	53	85	18	17	71	68
1989	45	96	7	14	52	85
1990	63	94	15	73	78	90
1991	53	89	1	100	54	89
1992	22	82	6	33	28	71
1993	73	90	14	78	87	90
1994	50	96	17	41	67	82
1995	30	83	13	23	43	65
1996	29	83	28	50	57	68
1997	61	79	48	42	109	62
1998	21	95	20	45	41	71
1999	20	100	8	50	28	86
2000	42	93	26	8	68	60
2001	87	98	17	41	104	89
2002	86	95	11	64	97	92
2003	69	94	25	88	94	93
2004	92	99	27	89	119	97
2005	215	99	70	86	285	96
2006	379	98	97	82	476	95
2007	280	95	44	70	324	91
2008	266	99	*50	48	316	91

*** Includes Abandoned Potash Test Holes**

Drilling Activity 1951-2008

Year	Licenses Issued	Wells* Drilled	Well Classification		Oil and Gas Wells Completed Status			Metres* Drilled	Other** Wells Drilled
			E	D	PO	AD	S		
Pre 1951	15								
1953	127	102	31	71	73	29	0	76 682	9
1954	333	310	114	196	217	90	3	233 170	0
1955	382	354	57	297	279	66	9	254 774	5
1956	283	248	30	218	202	38	8	176 994	14
1957	225	224	71	153	139	85	0	155 469	2
1958	92	92	16	76	61	31	0	60 430	0
1959	50	47	16	31	30	17	0	30 792	2
1960	65	66	12	54	50	15	1	43 918	0
1961	26	28	11	17	11	16	1	17 389	1
1962	30	24	3	21	15	9	0	17 683	2
1963	59	57	9	48	39	16	2	43 451	0
1964	110	104	32	72	68	35	1	75 303	3
1965	79	65	40	25	27	38	0	50 298	10
1966	76	63	33	30	29	33	1	54 863	9
1967	90	85	42	43	44	41	0	67 068	0
1968	64	59	44	15	27	32	0	48 840	3
1969	98	46	30	16	14	29	3	34 376	38
1970	18	18	13	5	2	16	0	16 253	1
1971	24	15	6	9	2	8	5	13 026	6
1972	11	9	6	3	0	7	2	6 778	1
1973	19	17	17	0	0	17	0	14 083	0
1974	22	21	17	4	6	14	1	22 710	1
1975	9	7	7	0	2	4	1	6 716	4
1976	16	15	13	1	3	11	1	11 161	2
1977	21	11	10	1	9	2	0	9 359	2
1978	16	22	12	10	10	6	6	18 329	0
1979	27	25	9	16	16	9	0	20 537	0
1980	33	27	12	15	18	9	0	23 508	6
1981	76	62	33	29	47	15	0	61 011	5
1982	201	195	78	117	164	30	1	184 282	0
1983	290	247	60	187	223	24	0	229 304	5
1984	249	246	36	210	218	28	0	220 631	0
1985	313	261	52	209	229	29	3	228 387	7
1986	116	134	44	90	122	11	1	118 675	1
1987	116	107	33	74	90	17	0	96 970	0
1988	78	72	18	54	48	23	1	63 722	0
1989	54	52	7	45	44	8	0	42 948	0
1990	93	79	16	63	70	8	1	75 751	0
1991	51	54	1	53	48	6	0	48 698	0
1992	28	28	7	21	20	8	0	27 391	0
1993	102	87	13	74	78	9	0	90 343	0
1994	82	67	17	50	55	11	1	77 716	0
1995	56	43	13	30	29	14	0	50 591	0
1996	82	57	28	29	40	17	0	60 723	0
1997	129	109	48	61	68	39	2	108 040	0
1998	41	41	20	21	29	12	0	48 908	0
1999	31	28	8	20	24	4	0	38 224	1
2000	82	68	26	42	41	27	0	71 716	0
2001	103	104	17	87	72	12	20	111 612	0
2002	101	97	11	86	79	8	10	104 705	0
2003	102	94	25	69	80	6	8	97 510	0
2004	137	119	27	92	115	4	0	126 332	0
2005	384	285	70	215	272	12	0	304 084	1
2006	444	476	97	379	450	26	0	516 721	0
2007	337	324	44	280	290	28	6	382 558	0
2008	332	316	50	266	280	18	9	457 575	9
TOTAL	**6 857**	**6 099**	**1 716**	**4 382**	**4 749**	**1 220**	**120**	**5 722 395**	**286**

*** Excludes other wells drilled**

**** Other wells drilled includes: structure test holes, potash test holes, gas storage wells, helium**

E = Exploratory D = Development PO = Potential Oil AD = Abandoned Dry S = Service

Exploratory* Wells Drilled in Manitoba by Formation 1974-2008 (Geological Period of Deepest Formation Drilled)

Year	Cretaceous	Jurassic	Mississippian	Devonian	Silurian	Ordovician	Cambrian	Precambrian	Total
1974	1	--	5	--	--	--	--	12	**18**
1975	1	--	4	1	--	4	--	1	**11**
1976	--	--	5	7	--	--	--	--	**12**
1977	--	--	10	--	--	--	--	--	**10**
1978	--	--	9	1	--	1	--	1	**12**
1979	--	--	6	1	--	--	--	2	**9**
1980	--	--	8	1	1	--	--	1	**11**
1981	--	--	21	6	--	--	--	5	**32**
1982	--	--	72	5	--	--	--	1	**78**
1983	--	1	48	9	1	--	--	1	**60**
1984	1	--	32	2	--	--	--	1	**36**
1985	--	--	49	2	--	--	--	1	**52**
1986	--	--	30	13	--	--	--	--	**43**
1987	--	--	13	19	1	--	--	--	**33**
1988	3	--	9	6	--	--	--	--	**18**
1989	--	1	2	3	1	--	--	--	**7**
1990	--	--	15	--	--	--	--	--	**15**
1991	--	--	1	--	--	--	--	--	**1**
1992	--	--	2	3	--	--	--	1	**6**
1993	--	2	9	2	--	--	--	1	**14**
1994	--	--	11	5	--	--	--	1	**17**
1995	--	--	9	4	--	--	--	--	**13**
1996	--	--	14	14	--	--	--	--	**28**
1997	--	2	19	21	1	3	-	2	**48**
1998	--	--	6	14	--	--	--	--	**20**
1999	--	--	4	3	--	--	--	1	**8**
2000	--	13	5	5	1	--	--	2	**26**
2001	--	3	8	4	1	--	--	1	**17**
2002	--	--	11	--	--	--	--	--	**11**
2003	--	3	12	9	--	--	--	1	**25**
2004	--	--	6	21	--	--	--	--	**27**
2005	--	--	9	60	1	--	--	--	**70**
2006	3	--	14	78	--	1	--	1	**97**
2007	2	--	14	28	--	--	--	--	**44**
2008	--	--	6	44	--	--	--	--	**50**
TOTAL	11	25	498	391	8	9	--	37	**979**

*** Exploratory - includes outpost, new field wildcat, new pool wildcat and deeper pool wildcat classifications.**

Horizontal Wells Drilled in 2008

Field	Surface Location	Bottom Hole Location	Horizontal Length (m)	Licensee	Initial Production* (m^3/d)	Status	Licence No.
Daly	13C-1-9-29	16C-1-9-29	988	Tundra Oil & Gas Partnership	12.5	COOP	6591
	4B-12-9-29	3B-11-9-29	999	Tundra Oil & Gas Partnership	8.1	COOP	6685
	5B-10-9-29	8A-10-9-29	1223	Tundra Oil & Gas Partnership	7.9	COOP	6767
	13B-12-9-29	16A-12-9-29	1255	Tundra Oil & Gas Partnership	7.8 (4 months)	COOP	6781
	13B-12-9-29	13A-11-9-29	1200	Tundra Oil & Gas Partnership	16.7 (4 months)	COOP	6789
	5C-12-9-29	8D-12-9-29	1189	Tundra Oil & Gas Partnership	9.6 (3 months)	COOP	6798
	16D-7-10-27	16D-18-10-27	1368	Tundra Oil & Gas Partnership	6.0 (4 months)	COOP	6800
	5B-12-9-29	5B-11-9-29	1346	Tundra Oil & Gas Partnership	6.4 (3 months)	COOP	6812
	9A-8-10-29	12C-8-10-29	1253	Tundra Oil & Gas Partnership	---	COMP	6839
	1A-5-9-28	1A-4-9-28	1387	Tundra Oil & Gas Partnership	6.6 (2 months)	COOP	6849
	1A-5-9-28	4B-5-9-28	1259	Tundra Oil & Gas Partnership	7.3 (2 months)	COOP	6850
	1D-27-10-29	1A-26-10-29	Confidential	Tundra Oil & Gas Partnership	Confidential	WOSR	6859
	9B-29-10-29	14D-29-10-29	886	Magellan Resources Ltd.	2.4 (3 months)	COOP	6862
Waskada	5B-9-1-24	7B-8-1-24	6	EOG Resources Canada Inc.	21.3	COOP	6604
	16A-33-1-25	14A-34-1-25	7	EOG Resources Canada Inc.	14.5	COOP	6621
	12D-11-2-25	9D-11-2-25	6	EOG Resources Canada Inc.	14.1	COOP	6629
	3A-8-1-24	1A-8-1-24	2	EOG Resources Canada Inc.	28.4	COOP	6635
	11D-17-2-25	8D-17-2-25	2	EOG Resources Canada Inc.	11.4	COOP	6636
	14A-5-1-24	16A-5-1-24	4	EOG Resources Canada Inc.	42.9 (2 months)	COOP	6818
	15B-15-1-24	12C-15-1-24	1	ARC Resources Ltd.	9.6 (2 months)	COOP	6822
	2B-9-1-24	4B-9-1-24	0	ARC Resources Ltd.	7.8 (2 months)	COOP	6830
	8C-33-1-24	3D-33-1-24	707	Tristar NMP Ltd.	24.5 (3 months)	COOP	6831
	9D-6-1-24	14A-5-1-24	4	EOG Resources Canada Inc.	38.3 (2 months)	COOP	6832
	13C-5-1-24	14C-6-1-24	0	ARC Resources Ltd.	16.5 (2 months)	COOP	6836
	1A-7-1-24	3A-8-1-24	2	EOG Resources Canada Inc.	35.2 (2 months)	COOP	6843
	1D-7-1-24	A3D-8-1-24	1	EOG Resources Canada Inc.	31.9 (1 month)	COOP	6844
	11A-8-1-24	9A-8-1-24	3	EOG Resources Canada Inc.	36.8 (1 month)	COOP	6845
Virden	15C-21-9-25	13C-21-9-25	700	Enerplus ECT Resources Ltd.	3.8	COOP	6444
		13B-21-9-25*	548				
	16D-20-9-25	9A-29-9-25	733	Enerplus ECT Resources Ltd.	11.2	COOP	6542
		9A-29-9-25*	728				
	13C-21-9-25	15B-20-9-25	593	Enerplus ECT Resources Ltd.	49.5	COOP	6543
		14C-20-9-25*	941				
		14A-20-9-25**	689				
	11C-32-10-25	3C-5-10-25	669	Enerplus ECT Resources Ltd.	8.2	COOP	6561
		3D-5-10-25*	701				
		3C-5-10-25**	530				
	7A-33-11-26	10A-28-11-26	807	Enerplus ECT Resources Ltd.	21.1	COOP	6716
		10A-28-11-26*	554				
	1B-22-11-26	16B-15-11-26	181	Enerplus ECT Resources Ltd.	11.5 (5 months)	COOP	6745
		8B-15-11-26*	441				
		8B-15-11-26**	668				
	1A-33-11-26	2D-34-11-26	856	Enerplus ECT Resources Ltd.	15.0 (4 months)	COOP	6746
		2D-34-11-26*	811				

Field	Surface Location	Bottom Hole Location	Horizontal Length (m)	Licensee	Initial Production* (m^3/d)	Status	Licence No.
Virden Continued	3B-22-11-26	6B-22-11-26	867	Enerplus ECT Resources Ltd.	3.8 (4 months)	COOP	6754
		6B-15-11-26*	775				
	4D-27-11-26	1D-27-11-26	798	Enerplus ECT Resources Ltd.	18.8 (5 months)	COOP	6769
		1D-27-11-26*	779				
	9A-21-11-26	16B-16-11-26	937	Enerplus ECT Resources Ltd.	0.4 (4 months)	COOP	6793
	9C-23-11-27	3A-25-11-27	1055	Tundra Oil & Gas Partnership	4.7 (4 months)	COOP	6806
		13C-24-11-27*	328				
		11C-24-11-27**	758				
	10A-24-10-26	12B-24-10-26	716	Enerplus ECT Resources Ltd.	25.1 (3 months)	COOP	6816
		12C-24-10-26*	642				
	2A-28-10-25	4B-28-10-25	893	Enerplus ECT Resources Ltd.	8.2 (3 months)	COOP	6817
	6C-23-10-26	8D-23-10-26	741	Enerplus ECT Resources Ltd.	11.2 (2 months)	COOP	6837
	1D-30-10-25	3D-29-10-25	726	Enerplus ECT Resources Ltd.	3.2 (2 months)	COOP	6867
Whitewater	12B-16-3-21	1A-17-3-21	624	Tundra Oil & Gas Partnership	8.1	COOP	6714
Pierson	1A-18-2-28	7C-18-2-28	699	1346329 Alberta Ltd.	0.8	COOP	6540
	3A-18-2-28	5C-18-2-28	664	1346329 Alberta Ltd.	2.7	COOP	6541
	9A-18-2-28	15C-18-2-28	666	1346329 Alberta Ltd.	3.9	COOP	6548
	15C-16-3-28	14D-15-3-28	1179	Tundra Oil & Gas Partnership	4.9	COOP	6588
		11D-15-3-28*	1190				
	10A-25-2-29	2A-25-2-29	570	Canadian Natural Resources Ltd.	18.5	COOP	6589
	3A-18-2-28	9A-7-2-28	824	1346329 Alberta Ltd.	0.4	COOP	6611
	11B-30-2-28	3C-30-2-28	442	Canadian Natural Resources Ltd.	19.2	COOP	6612
	1A-13-2-28	11A-7-2-28	811	1346329 Alberta Ltd.	1.0 (4 months)	COOP	6622
	14C-10-2-29	6C-15-2-29	575	Canadian Natural Resources Ltd.	1.9	COOP	6641
	11B-34-2-28	3B-34-2-28	526	Canadian Natural Resources Ltd.	6.7	COOP	6642
		3B-34-2-28	119				
	15C-16-3-28	16B-17-3-28	934	Tundra Oil & Gas Partnership	8.9	COOP	6643
		12C-16-3-28*	1137				
	14D-24-2-29	16D-24-2-29	499	Canadian Natural Resources Ltd.	7.9	COOP	6676
	2B-21-2-29	7D-16-2-29	390	Canadian Natural Resources Ltd.	6.1	COOP	6686
		7D-16-2-29*	191				
	12A-30-2-28	4A-30-2-28	562	Canadian Natural Resources Ltd.	5.1 (4 months)	COOP	6699
Souris Hartney	14D-10-6-22	11A-15-6-22	707	Lodgepole Energy No. 2 G.P. Corp.	10.4	COOP	6737
		5A-15-6-22*	504				
Regent	12C-31-4-21	6B-31-4-21	574	Tundra Oil & Gas Partnership	4.3	COOP	6528
		6D-31-4-21*	588				
		11A-31-4-21**	256				
	9B-22-4-22	15C-22-4-22	573	Tundra Oil & Gas Partnership	---	SWD	6552
	15D-24-4-22	11B-24-4-22	472	Tundra Oil & Gas Partnership	1.0	COOP	6568
		6C-24-4-22*	598				
		11D-24-4-22**	235				
	10A-3-5-22	2A-3-5-22	609	Tundra Oil & Gas Partnership	13.7	COOP	6578
		1B-3-5-22*	535				
	Surface	Bottom Hole	Horizontal		Initial Production*		Licence

Field	Location	Location	Length (m)	Licensee	(m^3/d)	Status	No.
Regent	1A-4-5-22	3C-3-5-22	428	Lodgepole Energy No. 2 G.P. Corp.	0.4	COOP	6585
Cont'd		3A-3-5-22*	527				
		11C-34-4-22*	824				
	16B-27-4-22	5D-26-4-22	784	Tundra Oil & Gas Partnership	4.8	COOP	6618
		6C-26-4-22*	750				
	7A-3-5-22	15C-3-5-22	903	Tundra Oil & Gas Partnership	11.3	COOP	6688
		14D-3-5-22	961				
		16B-3-5-22	599				
	15D-1-4-21	10B-6-4-21	1318	Tundra Oil & Gas Partnership	11.1	COOP	6713
		5A-6-4-21*	1113				
Sinclair	3C-14-7-29	15D-14-7-29	1133	Fairborne Energy Ltd.	13.2	COOP	6530
	1A-25-8-29	3C-25-8-29	803	Tundra Oil & Gas Partnership	7.5	COOP	6574
	13B-30-8-28	16C-30-8-28	1017	Tundra Oil & Gas Partnership	17.3	COOP	6581
	1A-2-9-29	4D-2-9-29	1098	Tundra Oil & Gas Partnership	0.1	COOP	6597
	16A-25-8-29	13A-25-8-29	1020	Tundra Oil & Gas Partnership	10.5	COOP	6617
	1A-14-7-29	1D-11-7-29	1253	Fairborne Energy Ltd.	5.1	COOP	6619
	1A-16-7-29	3D-15-7-29	625	Fairborne Energy Ltd.	6.2	COOP	6626
	14D-11-7-29	16A-14-7-29	1380	Fairborne Energy Ltd.	9.8	COOP	6638
	14D-11-7-29	2C-11-7-29	1074	Fairborne Energy Ltd.	3.0	COOP	6659
	13D-12-7-29	4A-12-7-29	1180	Fairborne Energy Ltd.	4.7	COOP	6660
	1D-8-8-28	4D-8-8-28	985	Tundra Oil & Gas Partnership	19.6	COOP	6665
	4C-8-9-29	1C-8-9-29	1003	Tundra Oil & Gas Partnership	5.7	COOP	6668
	4B-26-8-29	1C-26-8-29	987	Tundra Oil & Gas Partnership	6.3	COOP	6681
	12B-26-8-29	9D-26-8-29	1114	Tundra Oil & Gas Partnership	11.9 (4 months)	COOP	6682
	4B-14-7-29	4B-11-7-29	1291	Fairborne Energy Ltd.	9.5	COOP	6689
	1D-32-8-28	4A-32-8-28	1088	Tundra Oil & Gas Partnership	11.1	COOP	6691
	16B-36-8-29	13B-36-8-29	1000	Tundra Oil & Gas Partnership	8.3	COOP	6692
	16D-14-7-29	16D-23-7-29	1405	Fairborne Energy Ltd.	13.3	COOP	6698
	4B-34-8-28	1A-34-8-28	1188	Tundra Oil & Gas Partnership	13.4	COOP	6700
	16D-11-7-29	9D-14-7-29	962	Fairborne Energy Ltd.	6.0	COOP	6701
	13C-6-8-28	16D-6-8-28	1200	Tundra Oil & Gas Partnership	15.2	COOP	6706
	1D-1-8-28	1B-6-8-28	1190	Tundra Oil & Gas Partnership	19.3	COOP	6709
	13D-8-9-28	16A-8-9-28	[illegible]	Tundra Oil & Gas Partnership	[illegible]	COOP	6710
	15A-11-7-29	A2A-11-7-29	1105	Fairborne Energy Ltd.	8.1	COOP	6711
	4B-14-7-29	13B-14-7-29	1117	Fairborne Energy Ltd.		ABD D	6712
		12C-14-7-29*	436			ABD D	
		13D-14-7-29**	906		8.4	COOP	
	13C-32-8-29	16C-32-8-29	1084	Tundra Oil & Gas Partnership	7.0	COOP	6715
	8D-30-7-28	8C-29-7-28	1200	Tundra Oil & Gas Partnership	16.1	COOP	6722
	3A-15-7-29	3A-10-7-29	1463	Fairborne Energy Ltd.	8.5	COOP	6730
	3B-15-7-29	A3B-10-7-29	1394	Fairborne Energy Ltd.	4.8 (5 months)	COOP	6731
	3B-13-7-29	3B-12-7-29	1384	Fairborne Energy Ltd.	4.0 (5 months)	COOP	6733
	14C-11-7-29	A16C-14-7-29	1615	Fairborne Energy Ltd.	14.0	COOP	6734
	13B-9-8-29	13A-8-8-29	1300	Tundra Oil & Gas Partnership	—	WIW	6739

	Surface	Bottom Hole	Horizontal		Initial Production*		Licence No.

Field	Location	Location	Length(m)	Licensee	(m^3/d)	Status	No.
Sinclair (Cont'd)	9A-16-7-29	9A-15-7-29	1409	Fairborne Energy Ltd	12.6	COOP	6740
	12B-20-7-28	9D-20-7-28	1200	Tundra Oil & Gas Partnership	10.6 (5 months)	COOP	6747
	13C-28-7-29	13A-29-7-29	1196	Tundra Oil & Gas Partnership	7.5 (5 months)	COOP	6750
	13B-11-8-28	16A-11-8-28	Confidential	Tundra Oil & Gas Partnership	Confidential	COOP	6751
	12B-9-8-29	5D-8-8-29	1300	Tundra Oil & Gas Partnership	---	WIW	6752
	4C-9-8-29	4D-8-8-29	1280	Tundra Oil & Gas Partnership	---	WIW	6755
	8D-8-7-28	8C-9-7-28	1194	Tundra Oil & Gas Partnership	5.3	COOP	6765
	16D-9-9-29	1A-9-9-29	1187	Tundra Oil & Gas Partnership	3.1	COOP	6766
	1A-32-8-28	16D-32-8-28	1253	Tundra Oil & Gas Partnership	7.9 (5 months)	COOP	6779
	2B-20-7-29	2C-17-7-29	Confidential	Fairborne Energy Ltd	Confidential	COOP	6787
	14D-7-8-29	14B-18-8-29	1215	Tundra Oil & Gas Partnership	18.1 (5 months)	COOP	6788
	13C-8-8-28	16D-8-8-28	1121	Tundra Oil & Gas Partnership	5.6 (4 months)	COOP	6797
	1D-25-8-29	1A-30-8-28	1415	Tundra Oil & Gas Partnership	13.5 (4 months)	COOP	6799
	13D-7-8-29	13C-18-8-29	1400	Tundra Oil & Gas Partnership	20.5 (4 months)	COOP	6802
	14D-17-7-29	14D-20-7-29	1349	Fairborne Energy Ltd	8.6 (3 months)	COOP	6807
	13C-34-7-28	16D-34-7-28	1225	Tundra Oil & Gas Partnership	7.9 (4 months)	COOP	6809
	1A-36-8-29	4B-36-8-29	1284	Tundra Oil & Gas Partnership	8.5 (3 months)	COOP	6819
	4B-28-8-28	4B-29-8-28	1422	Tundra Oil & Gas Partnership	20.1 (3 months)	COOP	6825
	4A-28-8-28	1D-28-8-28	1232	Tundra Oil & Gas Partnership	13.0 (3 months)	COOP	6829
	13A-33-7-28	13C-32-7-28	1402	Tundra Oil & Gas Partnership	6.9 (3 months)	COOP	6833
	13A-33-7-28	16B-33-7-28	1032	Tundra Oil & Gas Partnership	6.1 (3 months)	COOP	6834
	12C-21-8-29	13B-20-8-29	1365	Tundra Oil & Gas Partnership	---	WIW	6851
Other Area	16D-6-5-21	7CA-7-5-21	814	Tundra Oil & Gas Partnership	5.0	COOP	6544
		2C-7-5-21	529				
	2C-14-6-27	1D-15-6-27	759	Tundra Oil & Gas Partnership	17.4	COOP	6545
		4C-15-6-27*	612				
		5B-15-6-27**	620				
	10A-30-5-22	7B-30-5-22	245	Tundra Oil & Gas Partnership	---	COMP	6583
		7A-30-5-22*	101				
	10B-9-2-24	A8B-9-2-24	431	Tristar NMP Ltd.	16.1	COOP	6630
		A8B-9-2-24*	294				
	7B-3-5-22	12A-2-5-22	858	Tundra Oil & Gas Partnership	---	COMP	6687
	3A-13-6-27	4C-13-6-27	492	Tundra Oil & Gas Partnership	12.3 (5 Months)	COOP	6780
		4C-13-6-27*	438				
		8B-14-6-27**	789				
	10B-9-2-24	9A-9-2-24	389	Tristar NMP Ltd.	4.6 (1 month)	COOP	6826

*Average oil rate for first six months (or less) of production
**Second Leg
***Third Leg

Areas of Activity

Sinclair - In 2008, Sinclair continued to be the most active area in the Province with a total of 165 wells being drilled. Of this total, 155 were development wells and 10 were drilled as exploratory. Fifty-five of the wells were drilled horizontally.

Pierson - In 2008, there were 38 wells drilled of which 24 were drilled vertically and 14 wells were drilled horizontally.

Daly – In 2008, there were 26 wells drilled in the Daly Field of which 12 were drilled horizontally. The total includes 6 exploratory wells which were all completed as potential oil wells. There were also 2 wells deepened and completed as commingled producers.

Waskada – There were 24 wells drilled in the Waskada Field in 2008 of which 9 were drilled vertically and 15 wells were drilled horizontally.

Other Areas - There were 35 wells drilled in other areas in 2008. This includes 9 wells drilled as potash test holes. Of the remaining 26 wells, 5 were development, with 4 completed as potential oil wells and 20 exploratory wells drilled, of which 6 were completed as potential oil wells.

Non-Abandoned Wells 2008

Field	Active [1] Oil Producers	Active [2] Other Wells
Daly	665	69
Tilston	30	3
Waskada	474	114
Lulu Lake	6	4
Virden	625	148
Whitewater	57	5
Pierson	326	61
Kirkella	55	6
Souris Hartney	22	3
Coulter	5	0
Regent	55	4
Mountainside	10	1
Birdtail	19	8
Sinclair	883	15
Confidential Wells	22	0
Other Areas	65	11
Total	**3319**	**452**

Notes:
(1) Wells classified as capable of oil production at year end that produced oil in 2008. Dual completions or commingled wells count as one well.
(2) Includes Water Injection, Salt Water Disposal, Water Supply, Gas Injection and Other Wells.

Well Licence Transfers in 2008

In 2008, there were 97 well name changes resulting from well licence transfers, corporate reorganizations, partnerships and amalgamations.

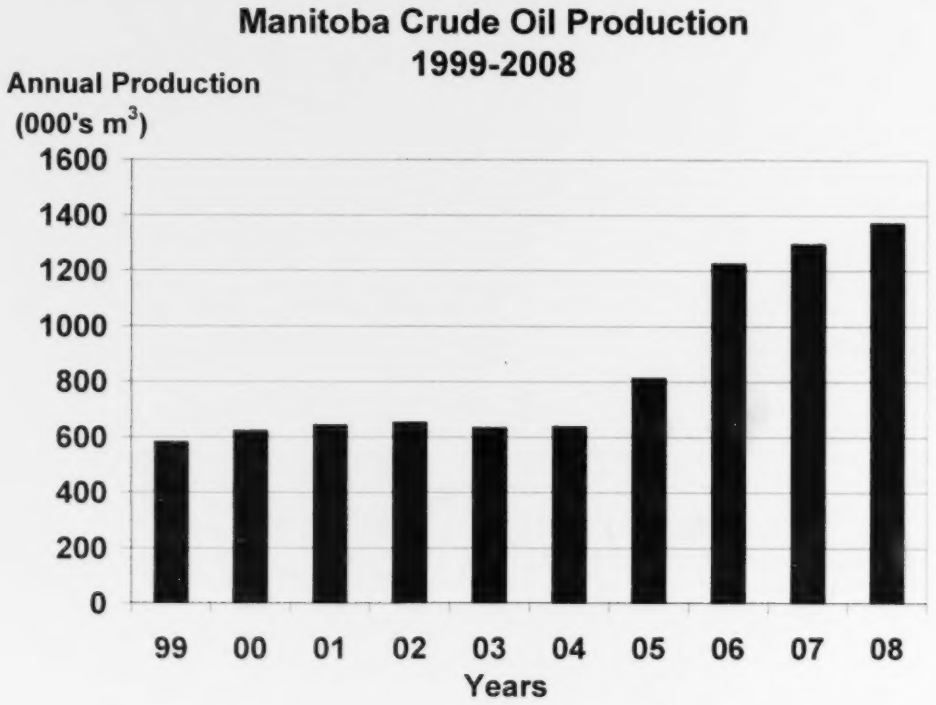
PREVIOUS OPERATOR	NEW OPERATOR	FIELD/AREA	WELLS	TYPE
5250570 Manitoba Ltd.	Black Gold Energy Ltd.	Daly	1	Name change
		Virden	1	
		Sinclair	1	
5199442 Manitoba Ltd.	Relative Resources Ltd.	Daly	3	Name change
				Transfer
Grand Banks Energy Corporation	Fairborne Energy Ltd.	Daly	1	
		Tilston	2	
		Sinclair	37	
New Midland Petroleum Ltd.	TriStar NMP Ltd.	Waskada	7	Name change
		Goodlands	12	
		Manitou	1	
		Reston	5	Name change
Rolland Virtual Business Systems Ltd./Rolland Energy Inc.	Gale Force Petroleum Inc.	Daly	18	
		Virden	4	
Gale Force Petroleum Inc.	2928419 Manitoba Ltd.	Virden	4	Transfer
		TOTAL:	**97**	

Production and Markets

Annual oil production in Manitoba was up 6% from 2007 to 1 370 585 m^3 (8.6 million barrels).

Oil production from the Sinclair, Virden, Daly, Waskada and Pierson Fields accounted for 46.4%, 16.1%, 9.7%, 10.3% and 8.6% respectively of Manitoba's total production.

In 2008, a number of fields showed an increase in production over 2007 including Sinclair (5.9%), Kirkella (20.2%), Virden (7.1%) and Waskada (15.9%).



Manitoba's Top 25 Oil Producers

Rank	Operator	2008		2007		2008/2007 Increase (decrease)	
		m^3	% of Total	m^3	% of Total	m^3	% Change
1	Tundra Oil & Gas Partnership	816734.2	59.9	813559.2	63.3	3175.0	.4
2	Enerplus ECT Resources Ltd.	220320.7	16.1	198413.3	15.4	21907.4	11.0
3	EOG Resources Canada Inc.	82218.3	6.0	65615.7	5.1	16602.6	25.3
4	Canadian Natural Resources Limited	77101.8	5.7	82759.1	6.4	(5657.3)	(6.8)
5	Penn West Petroleum	26835.6	2.0	26803.4	2.1	32.3	.1
6	Fairborne Energy Ltd.	23086.4	1.7	5074.3	.4	18012.1	355.0
7	Kiwi Resources Ltd.	19780.1	1.4	19406.1	1.5	374.0	1.9
8	ARC Resources Ltd.	18855.6	1.4	21427.3	1.7	(2571.7)	(12.0)
9	TriStar NMP Ltd.	17891.6	1.3	14951.0	1.2	2940.6	19.7
10	Zargon Oil & Gas Ltd.	7954.2	.6	8720.0	.7	(765.8)	(8.8)
11	Lodgepole Energy Corp./G.P. No. 2	7830.8	.6	6593.6	.5	1237.2	18.8
12	Leader Resources Limited	7382.1	.5	2842.6	.2	4539.5	159.7
13	Cosens Drilling Limited	6915.0	.5	5721.6	.4	1193.4	20.9
14	White North Energy Corp.	5328.5	.4	185.7	.0	5142.8	2769.4
15	1346329 Alberta Ltd.	5321.6	.4	2178.3	.2	3143.3	144.3
16	Black Gold Energy Ltd.	5086.1	.4	673.2	.1	4412.9	655.5
17	Antler River Resources Ltd.	2879.8	.2	3179.1	.2	(299.3)	(9.4)
18	Gale Force Petroleum Inc.	2406.5	.2	1576.4	.1	830.1	52.7
19	Enerplus Oil & Gas Ltd.	2011.2	.1	1727.4	.1	283.8	16.4
20	Aspen Endeavour Resources Inc.	1978.8	.1	1809.8	.1	169.0	9.3
21	Border Energy Ltd.	1620.4	.1	508.7	.0	1111.7	218.5
22	Relative Resources Ltd.	1524.5	.1	296.3	.0	1228.2	414.5
23	2928419 Manitoba Limited	1425.1	.1	1509.3	.1	(84.2)	(5.6)
24	Fox Oil Ltd.	1240.5	.1	349.8	.0	890.7	254.6
25	5369500 Manitoba Ltd.	835.6	.1	.0	.0	835.6	100.0

* Oil production figures may vary year to year due to well transfers and company mergers.

Manitoba Oil and Water Production 1951-2008

Year	Wells Capable of Producing (December)	Wells Producing (December)	Oil Prod. (m^3)	Water Prod. (m^3)	Total Fluid Prod. (m^3)	Avg. Water Cut(%)	Avg. Oil Prod. (m^3/day)
1951	5	5	1 854	152	2 006	7.6	5.1
1952	39	32	17 020	3 918	20 938	18.7	46.6
1953	105	93	104 189	46 597	150 786	30.9	285.4
1954	284	269	341 403	61 606	403 009	15.3	935.4
1955	554	486	658 779	284 601	943 380	30.2	1 804.9
1956	736	647	919 329	634 442	1 553 771	40.8	2 511.8
1957	846	739	967 810	998 380	1 966 190	50.8	2 651.5
1958	877	736	926 298	1 183 642	2 109 940	56.1	2 537.8
1959	875	730	803 436	1 274 183	2 077 619	61.3	2 201.2
1960	893	755	757 033	1 401 502	2 158 535	64.9	2 068.4
1961	874	729	711 949	1 511 295	2 223 244	68.0	1 950.5
1962	852	730	623 976	1 551 270	2 175 246	71.3	1 709.5
1963	839	683	599 249	1 617 970	2 217 219	73.0	1 641.8
1964	892	745	701 909	2 106 630	2 808 539	75.0	1 917.8
1965	889	748	786 029	2 369 659	3 155 688	75.1	2 153.5
1966	905	737	831 230	2 926 156	3 757 386	77.9	2 277.3
1967	911	752	887 556	3 038 500	3 926 056	77.4	2 431.7
1968	926	774	986 022	3 644 940	4 630 962	78.7	2 694.0
1969	923	754	985 987	3 789 952	4 775 939	79.4	2 701.3
1970	904	730	939 179	3 952 435	4 891 614	80.8	2 573.1
1971	900	695	890 621	4 213 250	5 103 871	82.6	2 440.1
1972	891	745	835 385	4 483 101	5 318 486	84.3	2 282.5
1973	882	687	807 905	4 542 685	5 350 590	84.9	2 213.4
1974	871	714	754 701	4 518 060	5 272 761	85.7	2 067.7
1975	831	686	701 491	4 560 448	5 261 939	86.7	1 921.9
1976	821	688	633 419	4 611 042	5 244 461	87.9	1 730.7
1977	804	701	630 443	4 816 879	5 447 322	88.4	1 727.2
1978	808	703	598 405	4 603 669	5 202 074	88.5	1 639.5
1979	811	706	583 377	4 302 557	4 885 934	88.1	1 598.3
1980	823	720	563 482	4 454 815	5 018 297	88.8	1 539.6
1981	853	748	542 695	4 574 423	5 117 118	89.4	1 486.8
1982	1 002	896	581 937	4 588 111	5 170 048	88.7	1 594.3
1983	1 160	1 041	736 913	5 090 892	5 827 805	87.4	2 018.9
1984	1 350	1 209	793 161	5 623 619	6 416 780	87.6	2 167.1
1985	1 505	1 366	820 727	5 926 972	6 747 699	87.8	2 248.6
1986	1 592	1 367	823 321	6 574 356	7 397 677	88.9	2 255.7
1987	1 624	1 434	781 795	6 619 927	7 401 722	89.4	2 141.9
1988	1 627	1 370	768 493	6 618 307	7 386 800	89.6	2 099.7
1989	1 581	1 353	722 821	6 489 970	7 212 791	90.0	1 980.3
1990	1 483	1 430	737 454	6 705 759	7 443 213	90.1	2 020.4
1991	1 567	1 408	712 791	6 899 878	7 612 669	90.6	1 952.9
1992	1 547	1 387	656 454	6 965 246	7 621 700	91.4	1 793.6
1993	1 563	1 394	634 561	6 439 603	7 074 164	91.0	1 738.5
1994	1 568	1 363	657 870	6 410 921	7 068 792	90.7	1 802.4
1995	1 556	1 354	642 650	6 050 635	6 693 285	90.4	1 760.7
1996	1 531	1 342	613 110	5 928 982	6 542 092	90.6	1 675.2
1997	1 535	1 337	636 800	6 011 713	6 648 513	90.4	1 744.7
1998	1 509	1 247	634 173	5 949 658	6 583 831	90.4	1 737.5
1999	1 494	1 246	581 226	5 530 359	6 111 585	90.5	1 592.4
2000	1 516	1 232	621 361	6 496 237	7 117 598	91.3	1 697.7
2001	1 567	1 267	642 885	7 016 732	7 659 617	91.6	1 761.3
2002	1 613	1 402	650 750	7 639 477	8 290 227	92.2	1 782.9
2003	1 666	1 487	633 134	7 723 449	8 356 547	92.4	1 734.5
2004	1 603	1 474	637 512	7 897 536	8 535 034	92.5	1 746.6
2005	1863	1790	812 927	8 194 812	9 006 736	91.0	2 224.4
2006	2 337	2 218	1 242 467	8 150 410	9 382 073	84.9	3 362
2007	2 576	2 472	1 294 526	9 124 828	10 419 354	87.6	3 546.6
2008	2 860	2 692	1 370 585	10 018 833	11 389 418	88.0	3 755.0
TOTAL	--	--	42 015 960	266 868 320	308 884 280	86.4	

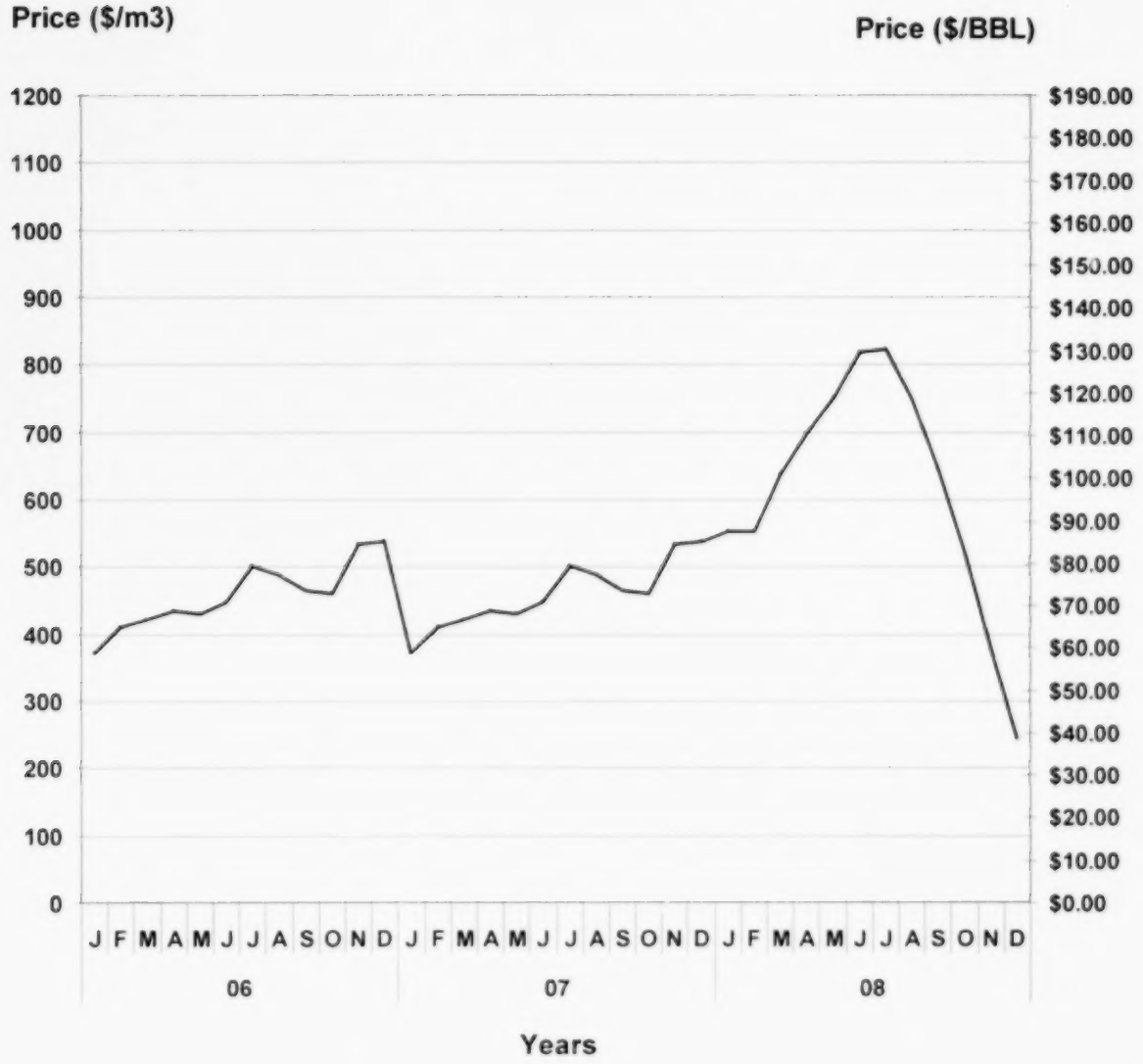
Comparison of 2008 vs 2007 Oil Production by Field

Field	2008		2007		2008/2007 Increase (decrease)	
	m^3	% of Total	m^3	% of Total	m^3	% Change
Daly	139 429.1	9.74	127 878.7	9.88	5 550.4	4.34
Tilston	3 189.7	0.23	3 981.9	0.31	(792.2)	(19.9)
Waskada	141 805.7	10.35	122 321.4	9.45	19 484.3	15.93
Lulu Lake	2 249.5	0.16	2 365.9	0.18	(116.4)	(4.92)
Virden	220 464.5	16.09	205 859.7	15.9	14 604.8	7.09
Whitewater	33 849.8	2.47	42 581.4	3.29	(8 731.6)	(20.51)
Pierson	117 522.1	8.57	122 692.6	9.48	(5 170.5)	(4.21)
Kirkella	14 063.6	1.03	11 701.4	0.90	2 362.2	20.19
Souris Hartney	12 274.0	0.90	14 207.5	1.10	(1 933.5)	(13.61)
Coulter	301.1	0.02	345.3	0.03	(44.2)	(12.8)
Regent	29 872.0	2.18	14 956.9	1.16	14 915.1	99.72
Mountainside	2 839.0	0.21	3 269.5	0.25	(430.5)	(13.17)
Birdtail	4 895.2	0.36	5 664.8	0.44	(769.6)	(13.59)
Sinclair	636 536.1	46.44	601 281.8	46.45	35 254.3	5.86
Other areas	17 294.0	1.26	15 417.7	1.19	1 876.3	12.17
TOTAL	**1 370 585.4**	**100.00**	**1 294 526.5**	**100.00**	**76 058.9**	**5.88**

Oil Prices

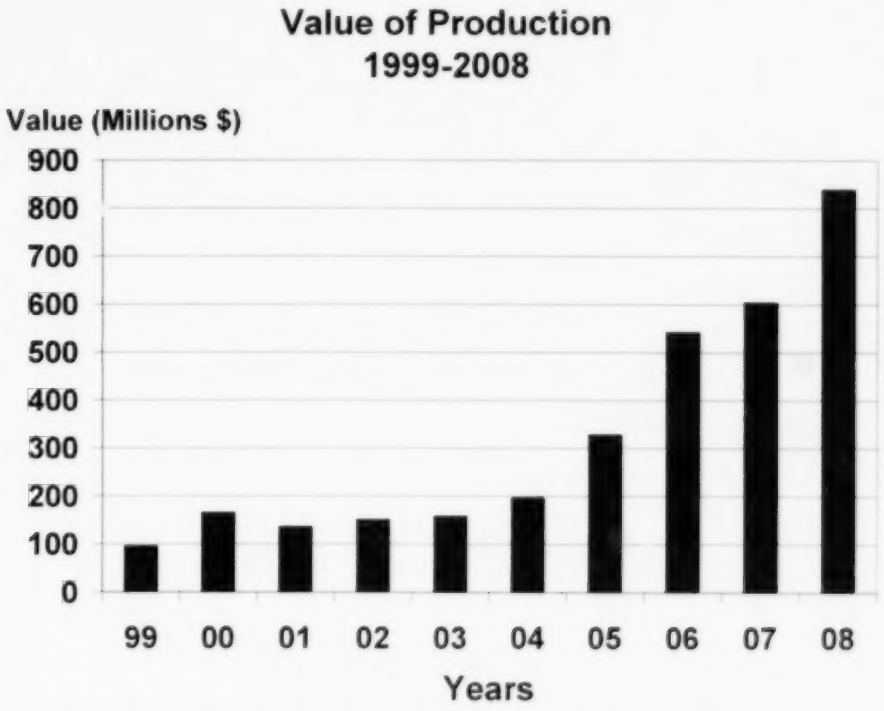
Manitoba's overall average crude oil selling price in 2008 increased from 2007 to $612.10/m^3 (97.27 Cdn. per barrel). The average monthly price was lowest in December at $243.52/m^3 (38.70 Cdn. per barrel) and highest in July at $819.41/m^3 ($130.21 Cdn. per barrel).

Monthly Oil Crude Prices
2006-2008



Value of Production

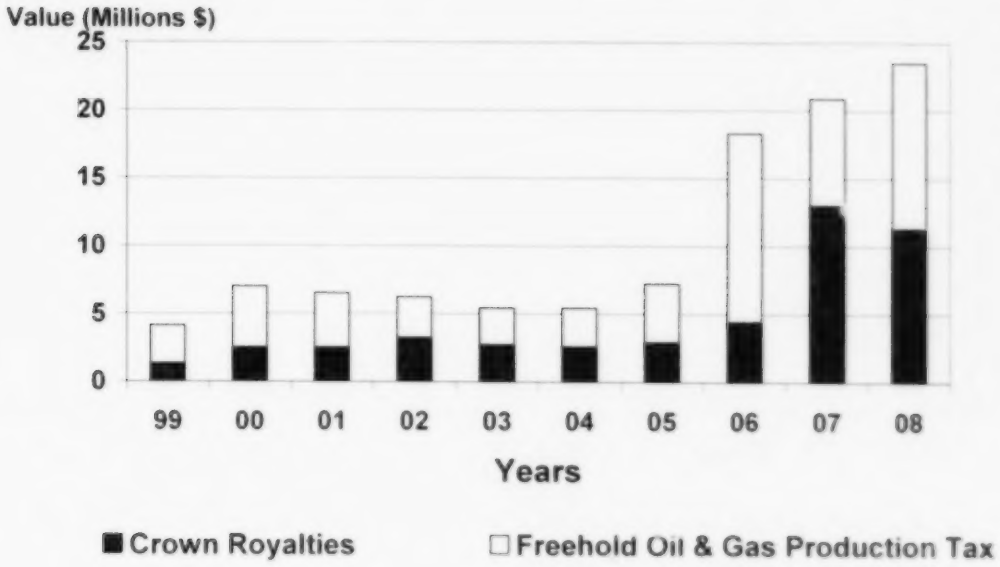
The total value of oil production during 2008 was $838 million, up 39% from 2007.



Provincial Revenue from Oil Production

During 2008, the Manitoba government collected approximately $29 million in revenues ($11.3 million in Crown oil royalties, $12.2 million in freehold oil taxes, and $5.5 million Crown lease sale bonuses, rentals and fees), resulting in a 32% increase from 2007. These figures do not include provincial revenue from corporate capital tax, sales tax, and corporate and individual income tax.

Crown Royalties and Taxes From Oil Production 1999-2008



Manitoba Crude Oil Production and Sales Value
1951-2008

Year	Annual Production (m^3)	Cumulative Production (m^3)	Value of Sales (000's $)	Cumulative Value of Sales (Dec. 31) (000's $)	Average* Wellhead Price ($/$m^3$)	($/bbl)
1951	1,854	1854	29	29	15.58	2.48
1952	17,020	18,874	234	263	13.77	2.24
1953	104,189	123,063	1,720	1,983	16.51	2.62
1954	341,403	464,466	5,619	7,603	16.46	2.62
1955	658,779	1,123,246	9,592	17,195	14.56	2.31
1956	919,329	2,042,574	13,431	30,626	14.61	2.32
1957	967,810	3,010,384	15,301	45,927	15.81	2.51
1958	926,298	3,936,682	14,265	60,192	15.40	2.45
1959	803,436	4,740,118	11,618	71,810	14.46	2.30
1960	757,033	5,497,151	10,720	82,529	14.16	2.25
1961	711,949	6,209,100	10,160	92,689	14.27	2.27
1962	623,976	6,833,075	9,435	102,123	15.12	2.49
1963	599,249	7,432,324	9,186	111,310	15.33	2.44
1964	701,909	8,134,233	10,746	122,056	15.31	2.43
1965	786,029	8,920,263	12,254	134,310	15.59	2.48
1966	831,230	9,751,493	13,075	147,386	15.73	2.50
1967	887,556	10,639,049	13,997	161,382	15.77	2.51
1968	986,022	11,625,071	15,569	176,952	15.79	2.51
1969	985,987	12,611,058	15,598	192,550	15.82	2.51
1970	939,179	13,550,237	14,839	207,389	15.80	2.51
1971	890,621	14,440,859	15,417	222,806	17.31	2.75
1972	835,385	15,276,244	14,586	237,392	17.46	2.77
1973	807,905	16,084,149	17,152	254,543	21.23	3.37
1974	754,701	16,838,850	27,169	281,713	36.00	5.72
1975	701,491	17,540,340	31,434	313,146	44.81	7.12
1976	633,419	18,173,759	33,565	346,711	52.99	8.42
1977	630,443	18,804,202	40,424	387,135	64.12	10.19
1978	598,405	19,402,607	45,940	433,075	76.77	12.20
1979	583,377	19,985,984	48,403	481,478	82.97	13.19
1980	563,482	20,549,467	54,979	536,457	97.57	15.51
1981	542,695	21,092,162	64,054	600,511	118.03	18.82
1982	581,937	21,674,098	101,007	701,518	173.57	27.58
1983	736,913	22,411,011	152,276	853,793	206.64	32.84
1984	793,161	23,204,172	169,768	1,023,561	214.04	34.02
1985	820,727	24,024,900	180,732	1,204,294	220.21	35.00
1986	823,321	24,848,221	94,402	1,298,696	114.66	18.23
1987	781,795	25,630,016	109,264	1,407,960	139.76	22.21
1988	768,493	26,398,509	78,586	1,486,546	102.26	16.25
1989	722,821	27,121,330	90,107	1,576,653	124.66	19.81
1990	737,454	27,858,784	114,932	1,691,585	155.85	24.78
1991	712,791	28,571,576	90,339	1,781,924	126.74	20.15
1992	656,454	29,228,030	86,297	1,868,221	131.46	20.89
1993	634,561	29,862,591	77,461	1,945,682	122.07	19.40
1994	657,870	30,520,461	83,392	2,029,074	126.76	20.14
1995	642,650	31,163,111	90,299	2,119,373	140.51	22.33
1996	613,110	31,776,220	106,620	2,225,992	173.90	27.63
1997	636,800	32,413,021	102,837	2,328,829	161.49	25.66
1998	634,173	33,047,194	74,179	2,403,008	116.97	18.54
1999	581,228	33,628,422	96,629	2,499,638	166.25	26.42
2000	621,361	34,249,782	165,381	2,665,019	266.16	42.30
2001	642,885	34,892,667	138,008	2,803,027	214.67	34.11
2002	650,750	35,543,417	150,057	2,953,084	230.59	36.64
2003	633,134	36,176,551	157,403	3,110,487	248.61	39.51
2004	637,512	36,814,064	195,672	3,306,159	306.93	48.77
2005	812,927	37,626,991	321,131	3,627,289	395.03	62.77
2006	1,242,467	38,869,458	535,416	4,162,706	430.93	68.48
2007	1,295,226	40,164,685	601,425	4,764,131	464.34	73.79
2008	1,371,048	41,535,733	839,219	5,603,350	612.10	97.27

* Average Wellhead Price = Value of Sales/Volume Sold

Direct Revenues to Crown from Oil Exploration and Production in Manitoba*
1951-2008

Year	Crown Royalties ($000's)	Freehold Oil Tax ($000's)	Crown Oil & Gas Rights Revenue ($000's)	Miscellaneous Fees ($000's)	Total Direct Revenue ($000's)
1951	2	--	4	5	11
1952	7	--	7	9	23
1953	50	46	6	8	110
1954	156	64	106	24	350
1955	230	92	696	10	1,028
1956	318	83	668	18	1,087
1957	382	126	531	--	1,039
1958	356	137	293	31	817
1959	344	165	215	2	726
1960	313	130	102	2	547
1961	306	105	228	5	644
1962	298	96	116	10	520
1963	276	91	87	3	457
1964	307	86	157	23	573
1965	344	84	164	3	595
1966	353	96	154	3	606
1967	370	111	139	10	630
1968	411	116	99	14	640
1969	405	128	115	4	652
1970	377	143	43	1	564
1971	373	143	55	2	573
1972	348	138	16	1	503
1973	404	144	15	2	565
1974	1,599	5,216	15	4	6,834
1975	1,823	6,498	12	1	8,334
1976	2,024	6,128	11	11	8,174
1977	2,263	7,012	10	3	9,288
1978	2,281	8,018	10	6	10,315
1979	2,280	8,769	988	12	12,049
1980	2,575	9,159	2,012	11	13,757
1981	2,715	10,022	1,846	12	14,595
1982	3,176	11,947	1,292	28	16,443
1983	4,111	14,825	1,347	59	20,342
1984	4,238	15,642	2,466	67	22,413
1985	4,323	14,977	4,522	[illegible]0	23,912
1986	2,570	8,179	1,195	53	11,997
1987	2,740	8,649	855	55	12,299
1988	2,034	5,861	639	40	8,574
1989	2,273	6,757	364	37	9,431
1990	2,578	7,662	266	35	10,541
1991	2,567	6,438	213	37	9,255
1992	1,978	4,938	209	21	7,146
1993	1,884	4,501	1,005	41	7,431
1994	1,581	3,620	1,415	44	6,660
1995	1,618	3,480	2,860	43	8,001
1996	1,866	4,450	2,024	51	8,391
1997	1,806	4,431	6,335	55	12,627
1998	1,259	2,579	752	30	4,620
1999	1,286	2,751	764	18	4,819
2000	2,537	4,488	783	21	7,829
2001	2,506	4,008	1,272	28	7,814
2002	3,203	2,994	444	60	6 701
2003	2,668	2,984	431	44	6,127
2004	2,565	2,879	1,491	41	6,976
2005	2,936	4,326	6,269	82	13,613
2006	4,406	13,909	2,646	128	21,089
2007	7 887	12 982	897	140	21 907
2008	11 279	12 241	5 454	62	29 036
TOTAL	185 416	230 035	54 484	1 532	401 511

* Does not include corporate capital tax, sales tax or corporate and individual income tax. All figures are based on calendar year receipts.

Manitoba Drilling Incentive Program (1992-2009)

In 2008, the Manitoba Drilling Incentive Program, which provides eligible wells a Crown royalty/freehold production tax-free holiday volume was extended for another 5 years until January 1, 2014.

Incentive program highlights include:

- 500 m^3 minimum holiday oil volume for new vertical wells
- 3 000 m^3 holiday oil volume "top up" for new wells
- 3 000 m^3 holiday oil volume for new horizontal legs drilled from existing horizontal wells
- 3 m^3/d production limit to qualify for the major workover incentive to repair casing
- up to 10 000 m^3 holiday oil volume for exploratory wells
- up to 20 000 m^3 holiday oil volume for wells drilled through the Duperow Formation
- 10 000 m^3 holiday volume for horizontal wells
- 500 m^3 holiday volume for marginal wells on which a major workover is conducted
- up to an 18 month holiday for unit tracts of wells converted for injection
- flexibility in the allocation of earned holiday volumes

Municipal Taxes

Oil producers in Manitoba pay municipal taxes on production facilities, including oil wells, batteries, salt water disposal wells, salt water disposal plants and water injection wells.

The municipal tax assessment on these facilities for the calendar year 2008 was approximately $107.6 million dollars.

Actual tax revenue from these assessments amounted to approximately $3.41 million for municipalities with oil and gas facilities.

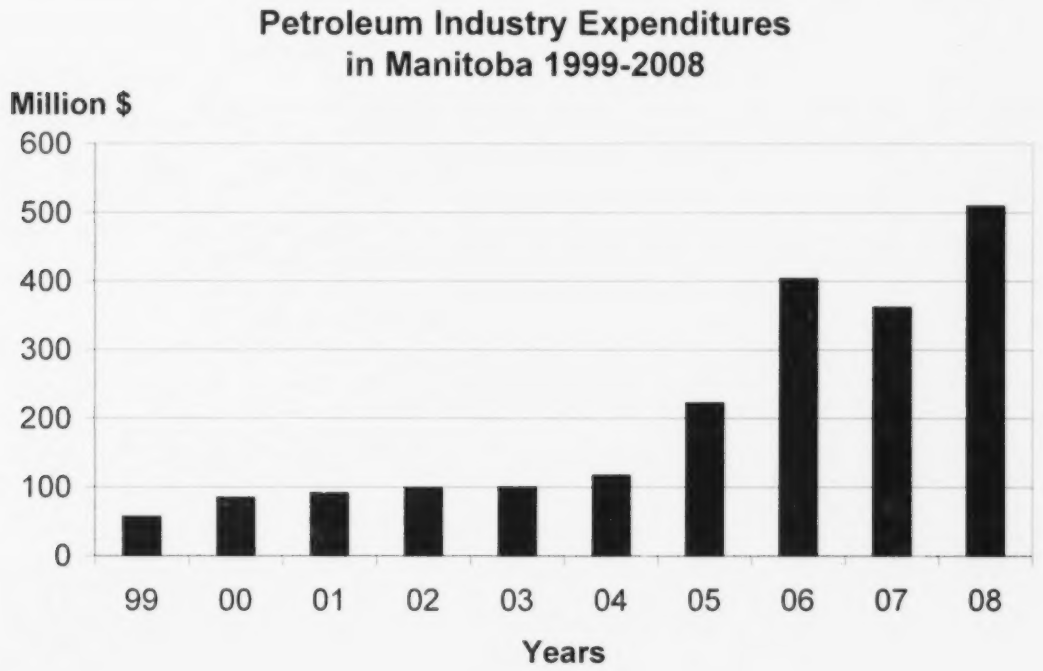
Industry Employment

Direct and indirect employment in the petroleum industry during 2008 was approximately 1,550 person years. Of this total, approximately 50 percent is attributed to geophysical and drilling activity, while the remaining 50 percent is associated ongoing operation and maintenance of existing facilities.

Industry Expenditures

It is estimated that industry spent $509 million in 2008 compared with $361 million in 2007. The total expenditures can be broken down into eight categories: exploration, development, land, production, pipelines, royalties, abandonment and rehabilitation, and other costs.

- **Exploration**, which includes, exploratory drilling costs, geophysical and geological work, amounted to approximately $39.8 million.
- **Development** including development drilling, workovers, recompletions and production facility construction accounted for approximately $215.2 million.
- **Land** including freehold and Crown mineral and surface rights acquisition costs, fees and rentals. The total estimated expenditures in this component amounted to $29.2 million.
- **Production** estimated at $99.9 million and include well and facility operating costs.
- **Pipelines** including capital, operating, repair and maintenance costs, for pipelines licensed under The Oil and Gas Act that carry crude oil and refined petroleum products amounted to $13.9 million.
- **Royalties and Production Taxes** including freehold royalties, Crown royalties and freehold production taxes, are estimated at approximately $106.8 million.
- **Abandonment and rehabilitation** of sites damaged by oil field operations totalled approximately $1.3 million.
- **Other** including municipal taxes and miscellaneous expenditures, totaling approximately $3.4 million.



Surface Owners

Prior to drilling a well, an oil company is required to negotiate a surface lease, which provides right of entry, with the landowner. The typical surface lease includes a first-year bonus payment and a subsequent annual rental for the duration of the lease.

Where the landowner is renting the land to another party, the oil company must obtain the consent of both the landowner and the occupant.

After a lease has been signed, the landowner and occupant then determine what share of the compensation paid by the oil company each receives.

An estimated $13.9 million was paid by oil companies to landowners in the form of first-year bonuses and annual rental fees.

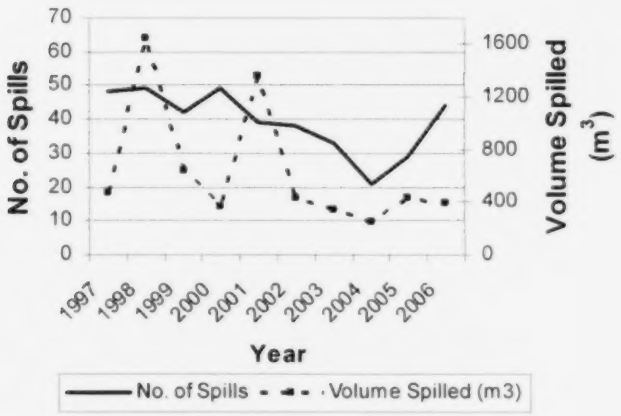
Disputes relating to right-of-entry or compensation are referred to the Surface Rights Board (www.gov.mb.ca/iedm/mrd/board/srboard.html). The Board's principal function is to arbitrate disputes between the petroleum industry and landowners regarding use of land for exploration, development and related operations, and to determine what compensation should be paid to the landowner.

Spills and Rehabilitation

In 2008, 55 spills involving a total volume of 2 411.4 m^3 occurred. One spill accounted for 2 000 m^3 or 83% of the total provincial volume. The volume of fluid spilled is equal to 0.021 percent of the total volume of oil and salt water produced.

Activities by industry resulted in 93 abandoned well and spill sites becoming fully rehabilitated in 2008. Further rehabilitation is required on 482 spill sites and abandoned well sites.

Spill Data 1997-2008



Manitoba Oil Fields - 2008

	Daly	Tilston	Waskada	Lulu Lake	Virden	White-Water	Pierson	Kirkella	Souris Hartney	Coulter	Regent	Mountain-side	Birdtail	Sinclair	Other Areas	Total
Discovery Year	1951	1952	1952	1953	1953	1953	1954	1957	1962	1952	1955	1982	1996	2004	—	—
Avg. Depth to Producing Formation (m)	835	940	918	1 005	634	782	1 003	734	655	968	767	895	522	1 045	858	—
Producing Formation	L/B/TF	MC	MC/LAm	L	L	LAm/L	MC/LAm	L	L	MC/LAm	L	L	B	B/TF	LAm MC/L	—
Well Spacing (ha)	32/16/8	16	16/8/4	16	16/8	16	32/16	16	32/16/8	16	16	16	16	16	16	—
Active Oil Wells 2008*	450	20	399	4	490	46	272	25	15	5	32	10	15	880	30	1 739
2008 Oil Prod. (`000 m^3)	133.5	3.1	141.8	2.2	220.5	33.9	117.5	14.1	12.3	0.3	29.9	2.8	4.9	636.5	17.3	1 370.6
Cum. Oil Prod. (Dec. 31, 2008) (`000 m^3)	6 901	422.1	4 205.3	128.6	23 800.0	580.4	2 202.2	475.1	283.1	17.4	99.6	128.5	82.7	1 986.3	225.8	41 534.4
Remaining Established Reserves (Dec. 31, 2003) (`000 m^3)	1 390.1	30.6	858.5	14.8	1247.9	67.6	466.5	43.4	44.3	0.8	3.5	26.0	41.4		38.7	4 322.0***

L = Lodgepole
LAm = Lower Amaranth
MC = Mission Canyon
B = Bakken
TF = Three Forks

* Wells classified as capable of oil production at year-end that produced oil in 2008. Dual completions or commingled wells count as one well. Confidential wells not included.

*** Total includes confidential remaining reserves

COMMENTS?

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